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MEMORANDUM FOR THE RECORD:

SUBJECT: Meeting with CARPETMAKER

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1. At 0930, 22 June, CARPETMAKER and [] were met by [] of the New York office, Office of Security and escorted to the headquarters of the New York Police Department. [] introduced us to Lt. Crane, chief of the Special Services Unit of the Detective Division. Crane acted as our escort throughout the morning. (The Special Services Unit is responsible for subversive matters in the New York area including Communist Party activities, labor racketeering and also for the protection of dignitaries visiting the city.)

2. Crane introduced us to Chief Inspector Liggett. We then toured the communications center of the Manhattan Borough. Crane later took us to his office where we discussed in general terms cooperation between the New York Police Department and US Government agencies on Communist Party matters, Communist Party activity in the New York area etc. Crane then called in Lt. Terakes and we drove to the headquarters of the air and maritime unit at the Batory. After inspecting a helicopter we returned to Police Headquarters where we met Police Commissioner Kennedy. The meeting with Kennedy lasted about 45 minutes.

3. Kennedy extended CARPETMAKER a warm welcome and the conversation turned to Harry SOEDERMANN. Kennedy had studied under SOEDERMANN and CARPETMAKER greatly admired his work. CARPETMAKER asked Kennedy whether he knew that SOEDERMANN had gone from New York to Berlin in connection with the Otto JOHN case. SOEDERMANN apparently had known WOHLGEMUTH personally and hoped to contact him re JOHN. Kennedy claimed he knew nothing of the matter.

4. Kennedy then asked CARPETMAKER how the JOHN case was going. CARPETMAKER said that JOHN was being held under psychiatric examination and feels certain that in due course JOHN will be brought to trial. CARPETMAKER says there is good reason to believe that JOHN went voluntarily to the East and that while there he betrayed some state secrets to the East, albeit "little secrets". CARPETMAKER said that in addition JOHN must be brought to trial in order to demonstrate to the public that a man of JOHN's position in the government cannot escape prosecution for treasonable acts.

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5. Kennedy and CARPETMAKER then became involved in a discussion of the application of scientific and technical means to criminal investigation. No other matters of intelligence interest were discussed.

6. After lunch at a nearby restaurant we returned to the Police dock at the Battery and boarded a police boat for a two hour cruise around Manhattan.

7. In the evening [] took CARPETMAKER to the Rainbow Roof for cocktails. After two double bourbons we discussed the WEINMANN @ BURKHARDT case. CARPETMAKER said that when the case first broke he became aware that there was a penetration of the SG. However they could not identify him. He said that he waited about ten days to hear from [] on the case. In the intervening time CARPETMAKER learned the identity of the source in the SG and also that an American intelligence service was involved in the case. From the descriptions of the American case officer, CARPETMAKER was almost convinced that [] was the case officer. His suspicions were strengthened when he met [] who seemed most elusive. He described the meeting as a situation in which "two dogs were sniffing each other". He observed that the ostensible reason for the Army running the operation was to check on the security of persons in the West German government. He doesn't believe this was the real purpose but if it was, then the Army could have obtained the information much more easily through liaison. In the final analysis he believes the affair gave American intelligence, particularly the Army, a real black eye. He said that all of the original arrestees have been tried except SCHMITZ. Since SCHMITZ was an agent of an American service it would not be politic to prosecute him at this time.

8. Switching to the problem of counter audio surveillance I told him that [] was very much concerned about the problem and had suggested that CARPETMAKER discuss it further with [] on his return. After CARPETMAKER had given us a statement of his requirements we would be in a better position to determine what assistance we might be able to give him. CARPETMAKER again reiterated his surprise at learning of Soviet capabilities in audio surveillance. [] suggested that it might be possible to overestimate the effectiveness of such operations. In some cases very simple measures such as playing a radio during a discussion could foil audio surveillance. CARPETMAKER replied that this was correct providing that the radio was playing voices, not music. According to CARPETMAKER they have learned that music can be filtered out and the conversation recovered. He also went on to point out that for [] Adenauers trip to Moscow they had

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improvised some detection equipment including a wide range RF detector. The equipment was primitive but served the purpose. [] asked if the Gehlen Organization couldn't be of help in providing detection equipment. CARPETMAKER replied that the Gehlen Organization was doing a fine job in the field of audio surveillance equipment but were not devoting much attention to detection equipment.

9. After dinner at the Hapsburg House we returned to the hotel.

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